

COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

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April 27, 2009

TO: Each Supervisor
Robin Kay for
FROM: Marvin J. Southard, D.S.W.
Director of Mental Health
SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE CONTRACT NEGOTIATIONS WITH EXODUS RECOVERY, INC.**

This memo is to comply with the Chief Administrative Officer, David E. Janssen's September 1999 letter regarding contracting policy requirements for sole source contracts. It is the Los Angeles County Department of Mental Health's (DMH) intent to enter into sole source contract negotiations with Exodus Recovery, Inc. (Exodus Recovery), 9808 Venice Blvd., Suite 700, Culver City, CA 90232, for a new urgent care center (UCC) in close proximity to Los Angeles County + University of Southern California (LAC+USC) Medical Center.

The UCC is intended to relieve the overcrowding in the LAC+USC Psychiatric Emergency Services and the related increasing demand for inpatient psychiatric services; provide 24/7 recovery-oriented outpatient psychiatric services for individuals in crisis who do not require hospitalization if stabilized with intensive outpatient services; promote integrated treatment for mental health clients with co-occurring substance abuse disorders; and ensure integration with community-based resources in accordance with the Department's Mental Health Services Act Community Services and Supports Plan approved by your Board on May 9, 2006. DMH entered into an Agreement with the University of Southern California Care Medical Group, Inc. (USC Care) to provide UCC services at LAC+USC, but USC Care terminated its contract to provide these services effective March 19, 2009.

It is imperative that immediate arrangements be made for a new program to provide UCC services at LAC+USC Medical Center. DMH had planned to enter into a competitive solicitation process with Telecare Corporation and Exodus Recovery, Inc., two qualified providers of mental health services in Los Angeles County, to select a contractor to provide UCC services; however, on March 31, 2009 Telecare Corporation notified DMH of its decision to withdraw from consideration as a potential provider.

DMH proposes to enter into sole source contract amendment negotiations with Exodus Recovery, the only remaining mental health provider in the area that is experienced in

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providing UCC services, for the provision of these services near LAC+USC Medical Center.

Exodus Recovery is uniquely qualified to provide UCC services as it has a wide range of experience in providing mental health services in Los Angeles County including acute inpatient services, physician coverage for Institutions for Mental Disease, Assertive Community Treatment, and Full Service Partnerships. In December 2006 Exodus Recovery implemented a UCC in Culver City that is Lanterman-Petris-Short designated and operates 24/7, providing psychiatric evaluation and medication prescription, crisis intervention and stabilization, linkage to community services, assessment for co-occurring substance abuse disorders and access to dedicated emergency shelter beds and transitional residential services located in the surrounding community. This program has been highly successful in serving adolescents, Transition Age Youth, adults and older adults. With this experience, Exodus Recovery is well positioned to begin implementation of this program immediately upon Board approval.

Unless otherwise instructed by a Board office, DMH will proceed with negotiating the sole source contract within two weeks. DMH will work closely with both the Office of the County Counsel and the Chief Executive Office in preparing an amendment with Exodus Recovery to include these services.

MJS:TB:MM:mm

c: Chief Executive Officer
John Schunoff, Ph.D., Interim Director, Department of Health Services